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Construction Costs Up 7.8 Per Cent in Year

NEW YORK, Nov. 9 (UPI)—Construction costs rose an average of 7.8 per cent nationwide in the twelve months ended Sept. 30, according to McGraw-Hill's F.W. Dodge Division.

In the comparable 1970 period, the costs of construction labor and materials gained 8.1 per cent, Dodge said.

This year's increase included a 10.7 per cent jump in craftsmen's wages, compared with a 12.9 per cent rise in the previous 12 months, Dodge said. Largest cost gains were scored in the Mississippi River/West Central regions.

Dodge said costs jumped 4.8 per cent in the six months since its last survey of the construction market was completed in March, compared with a 2.8 per cent rise for the six months covered by that survey.

And third quarter corporate earnings reports make "disappointing" reading this year despite general profit

gains over year earlier levels, according to First National City Bank.

The bank said tabulation of reports from 1,267 leading non-financial corporations showed an increase of 11 per cent in total after-tax profits. The better year-to-year comparison is due, however, to the low level of profits in the 1970 quarter rather than to a dramatic improvement in the third quarter this year, the bank said.

Manufacturing corporations turned in the poorest performance, with earnings up 9 per cent from year earlier levels, but down 14 per cent from the second quarter of this year. Without a 42 per cent surge in automobile industry earnings, the year-to-year increase would have been only two per cent, Citibank added.